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Canadian Markets, Canadian Autonomy and Canadian Fiscal Independence Saved

by the

Conservative Party

Repudiation of Trade Agreement with Washington
further justified by the Letters of Mr. Taft and
Mr. Roosevelt, by reductions in United
States Tariff and by comparative Cana-
dian and United States prices.

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Canadian Markets Saved by Verdict of the People of Canada in 1911.

The principal issue in the General Election was RECIPROCITY and the people decided against it.

The Reciprocity Agreement was announced on January 26th, 1911. The people voted on September 21st, 1911. They had it before them for nearly eight months. During all that period the people were keenly interested, followed the debates in Parliament, read the newspapers, and studied the subject carefully. They decided that Reciprocity would harm the Country instead of doing it good, and they voted against it. The vote of the farming community was heavily against the Pact.

The Liberal Party explains its terrible defeat by saying that the people were stampeded, were the victims of passion and prejudice.

Stampeded—after eight months of solid arguing!

Passion and Prejudice—when there had not been for thirty-three years so long a Campaign, in which the Electors thought so carefully about the subject!

The Liberal excuse simply means that they think the Electors are fools.

Who are the fools—the Electors who decided against the Reciprocity after eight months of eager argument, or the Politicians who jumped into the Reciprocity scheme without knowing the facts and without weighing the consequences to Canada?

On that question let the events of the last two years decide.

Four bad blows have been struck at Reciprocity since September 21st, 1911.

President Taft published his "Adjunct Letter."

It turns out that while Mr. Fielding and Mr. Paterson were in Washington making the bargain, President Taft, on January 10th, 1911, wrote a letter about Reciprocity to Mr. Theodore Roosevelt, who had preceded him as President of the United States.

ONLY AN ADJUNCT.

President Taft wrote:—

“It (Reciprocity) might at first have a tendency to reduce the cost of food products somewhat; it would certainly make the reservoir much greater and prevent fluctuations. Meantime the amount of Canadian products we would take would produce a current of business between Western Canada and the United States that would make Canada only an adjunct of the United States. It would transfer all their important business to Chicago and New York, with their Bank credits and everything else, and it would increase greatly the demand of Canada for our manufactures. I see this is an argument against Reciprocity made in Canada, and I think it is a good one.”

Mr. Roosevelt's reply was:—

“It seems to me that what you propose to do with Canada is admirable from every standpoint. I firmly believe in Free Trade with Canada for both economic and political reasons. As you say, labor cost is substantially the same in the two countries, so that you are amply justified by the platform. Whether Canada will accept such Reciprocity I do not know, but it is greatly to your credit to make the effort.”

It turned out that President Taft consulted his Cabinet before dispatching this “Adjunct Letter.”

Now that they have failed to get Canada to come into the Reciprocity game the big manufacturers are moving their factories over to our side of the border. One very notable case occurred a short time ago. In July last Mr. Eugene Foss, Governor of Massachusetts, and a large manufacturer and a great advocate of Reciprocity, announced that he had made up his mind to transfer certain works from Hyde Park, Mass., to Galt. Part of his statement is:—

MR. FOSS ON COMMERCIAL RELATIONS.

“For more than twelve years one of the principal Massachusetts corporations which I represent has had under consideration a plan of transferring to Canada a large portion of its work. I have personally opposed this plan and endeavored to maintain this industrial enterprise in full, here in Massachusetts, but am now convinced that it is no longer possible to defer action on this matter. Accordingly I make the announcement, although I do so with sincere regret, that the B. F. Sturtevant Company has just completed the

purchase of a manufacturing plant in Galt, Ontario, and that a large part of the work which has hitherto been done at Hyde Park will now be transferred to Canada. **A**" - the United States the tendency among the principal turing interests is toward the establishment of plants in Canada. This movement has been going on for many years, and it is estimated that from three to five hundred million dollars of American capital is now invested in these Canadian plants. The Sturtevant Company must join the procession in order to meet the conditions of the industry for the movement has now proceeded to a point where corporations failing to follow are faced with serious embarrassment. American manufacturers have completely filled the American market, and their production is now greatly in excess of the domestic demand. . . . If they had a reasonable outlet for their surplus products, under reciprocal trade agreements with other countries these industries could remain at home and grow, but under the conditions that exist they must remove in part to those countries whose markets they desire to reach. The Sturtevant Company. . . . is reluctantly obliged to accept the situation and remove to Canada a part of its work, thus curtailing production in Massachusetts."

Governor Foss hated to move, but had to do it.

He added:—

"This movement of American manufacturers to Canada could be stopped and they could remain intact in this country if it were not for the absurd conditions created by our tariff legislation. We should have with Canada and other countries such trade agreements as would enable us to manufacture our goods in the United States, giving employment to American workingmen and utilizing only American capital. But such agreements would imply a recognition of the principle of Reciprocity."

Thus, because Canada rejected Reciprocity several hundred new workmen come to Galt with their families, to enlarge the home market for the Canadian farmer.

And Governor Foss' Factory is only one out of many.
The Americans are lowering their tariff anyway.

The Liberal Conservative Party in 1911 predicted that if Canada simply maintained her position and her policy she would get for nothing what the Liberals wanted her to buy and they held that the United States was sure to lower its very high tariff anyway.

That has proved correct. The United States Government has passed through Congress a Bill to lower the duties greatly. Most of the reductions they are making are on articles mentioned in the Reciprocity Agreement.

Look at these tables:—

1. ARTICLES FREE BY RECIPROCITY AGREEMENT WHICH ARE FREE BY THE NEW UNITED STATES TARIFF.

Cattle.	Salt.
Swine.	Asbestos, Crude.
Sheep and Lambs.	Barbed Wire.
Rye.	Extract of Hemlock Bark.
Buckwheat.	Cream Separators.
Corn.	Typesetting Machines.
Fresh Milk.	Coke.
Fresh Cream.	Timber, hewn, squared or sided.
Eggs.	Sawed Boards, planks, Deals and other Lumber.
Grass Seeds.	Pickets and Palings.
Oysters, Lobsters, Shrimps and other Shell Fish.	Wooden Staves.
Fish.	

Wheat will be free if Canada removes duty on wheat, wheat flour and other wheat products; otherwise duty will be 10 per cent. instead of 25c. per bushel.

Potatoes will be free if Canada removes duty; otherwise 10 per cent. instead of 25c. per bushel.

2. ARTICLES NOT MENTIONED IN RECIPROCITY AGREEMENT WHICH ARE TO BE MADE FREE BY THE NEW UNITED STATES TARIFF.

Article.	Former American Duty.	Now.
Acid, Acetic	Average 27 per cent.	Free
Acid, Sulphuric	1/4c. per lb.	Free
Alcohol, Wood.	20 per cent.	Free
Sewing Machines	30 per cent.	Free
Typewriters	30 per cent.	Free
Cast Iron Pipe	1/4c. per lb.	Free
Cement, Portland	8c. per 100 lbs.	Free
Coal, Bituminous	45c. per ton	Free
Flax Straw	\$5 per ton	Free
Flax, not Hackled or Dressed . s.	1c. per lb.	Free
Flax, hackled	3c. per lb.	Free
Fulminates	20 per cent.	Free

Explosives for Mining, etc.	2c. to 4c. per lb.	.....	Free
Hoop or Band Iron or Steel for Baling Pur- poses	\$6 per ton	.....	Free
Pig Iron	\$2.50 per ton	.....	Free
Iron in Slabs, Blooms, etc.	\$8 per ton	.....	Free
Leather for Boots & Shoes	5 per cent. to 20 per cent.	.....	Free
Leather Boots and Shoes	10 per cent. to 15 per cent.	.....	Free
Harness, Saddles and Sad- dlerly	20 per cent. to 35 per cent.	.....	Free
Condensed Milk and Cream	2c. per lb.	.....	Free
Cut Nails and Spikes	4/10c. per lb.	.....	Free
Horseshoe Nails	1½c. per lb.	.....	Free
Wire Nails	4/10 to ¾c. per lb.	.....	Free
Horse, Mule or Ox Shoes	¾c. per lb.	.....	Free
Railway Bars or Rails	7/40c. per lb.	.....	Free
Sheep Dip	20 per cent.	.....	Free
Sheep Skins	Wool thereon dutiable at 10c. per lb.	.....	Free
Steel Ingots, Blooms, Slabs, Billets (ordin- ary)	\$6 to \$10 per ton	.....	Free
Wire, Galvanized, such as is commonly used for fencing	1c. per lb., but not less than 35 per cent.	.....	Free
Wire Fencing, certain gauges	45 per cent.	.....	Free
Wool raw	11c. per lb.	.....	Free
Wool, washed	22c. per lb.	.....	Free
Wool, scoured	36c. per lb.	.....	Free

Printing Paper of certain sorts and wood pulp are Free if they come from a Canadian Province which does not restrict the export of pulpwood, pulp, etc.

3. ARTICLES TAXED BY THE RECIPROCITY AGREEMENT AND MADE FREE BY THE NEW UNITED STATES TARIFF.

Article.	Reciprocity Rate.	Now
Meats, Fresh or Salted	1¼c. per lb.	.....
Bacon and Hams	1¼c. per lb.	.....
Meats, Canned	20 per cent.	.....
Tallow	40c. per 100 lbs.	.....
Lard	1¼c. per lb.	.....

Buckwheat Flour	50c. per 100 lbs.	Free
Cornmeal	12½c. per 100 lbs.	Free
Rye Flour	50c. per bbl.	Free
Biscuits & Cakes, without Sweetening	20 per cent.	Free
Biscuits and Cakes with Sweetening	25 per cent.	Free
Farm Waggons	22½ per cent.	Free
Agricultural Implements	15 per cent. and 20 per cent.	Free
Laths	10c. per M.	Free
Shingles	30c. per M.	Free
Sawed Boards, Planed on One Side	50c. per M. feet	Free
Sawed Boards, Planed Tongued and Grooved	75c. to \$1.50 per M. feet....	Free
Iron Ore	10c. per ton	Free
Slack Coal	15c. per ton	Free

Wheat flour, bran and other wheat products will be free if Canada removes duty on wheat, wheat flour and other wheat products; otherwise duty will be 45c. per bbl. on wheat flour and 10 per cent. on bran and other products of wheat. Under Reciprocity wheat flour was 50c. per bbl., while bran and other offals of grain used for animal food were 12½c. per 100 lbs.

Besides the foregoing, there are all sorts of cuts. The duty on oats falls from 15 cents to 6 cents a bushel; barley from 30 cents to 15 cents; horses over \$150.00 from 25 p.c. to 10 p.c.; butter and cheese from 6 cents to 2½ cents a pound; hay from \$4 to \$2 a ton; and so on.

And Canada gets these reductions free and keeps the home market for the Canadian farmer!

The Liberals tried to buy on a falling market.

The price of wheat now is higher in Canada than in the United States.

During almost the whole of 1911 the wheat prices of Minneapolis had been higher than those of Winnipeg. During the earlier portion of 1912 this condition of affairs continued. But in July of 1912 a change took place, and the Winnipeg market gave the better prices. This was very annoying—to the Liberals. Sir Wilfrid Laurier had arranged to tour the West; on August 27th he abruptly abandoned his intention, saying that it was "on account of the harvest;" on that day wheat was 12 cents higher in Winnipeg than at American points. In November and December

the American prices just overtopped the Canadian and this condition continued till March, the American advantage seldom if ever rising above 3 cents. Then in March, 1913, the Canadian prices became better. They now are considerably higher.

Get into your mind these four things that have happened:—

1. President Taft betrayed the fact that he meant to use Reciprocity to entrap Canada.
2. American factories are trooping over to Canada.
3. The United States, by reason of conditions in that country, finds it necessary to give us for nothing most of the Tariff concessions mentioned in the Reciprocity Agreement, and some extra ones as well.
4. The price of wheat now is better on the Canadian side of the border.

Finally, remember this:—

The Liberal Party is tied up tightly to this unlucky Policy.

On November 29th, 1912, Mr. George W. Fowler, in the House of Commons, questioned the leaders of the Liberal Party on the subject and extracted the following answers:—

Mr. Fowler: "Is the Hon. Member for St. John (Mr. Pugsley) in favor of Reciprocity?"

Mr. Pugsley: "I may say emphatically yes."

Mr. Fowler then asked: "Perhaps the Right. Hon. the Leader of the Opposition will be willing to answer now."

Sir Wilfrid Laurier: "With great pleasure. We are a united party on this side—we never vary."

Mr. Fowler: "That is a still more clever lawyer's evasion. I ask the Rt. Hon. the Leader of the Opposition, 'Were you in favor of Reciprocity as it was presented to the people of Canada during the Elections of 1911?'"

Sir Wilfrid Laurier: "I know of some Liberals who have varied their views upon that. I am not one of them. I stick to my ideas."

So you see the Liberal Party sticks to the Adjunct Policy.

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